

ARTICLE APPEARED
ON PAGE 1ANEW YORK TIMES
3 April 1987

REAGAN WAS TOLD IN '85 OF PROBLEM IN MOSCOW EMBASSY

Advisory Panel Told Him That Soviet Employees Posed Serious Security Risk

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Special to The New York Times

WASHINGTON, April 2 — A secret report sent to President Reagan by his advisory panel on intelligence two years ago warned that the United States Embassy in Moscow was vulnerable to Soviet espionage. Government officials said today.

The officials, some of whom have been critical of the State Department, said that the report helped persuade Mr. Reagan to approve a plan to reduce the number of Soviet employees in the embassy, but that it prompted few appreciable changes in security procedures.

The report was prepared by the President's Foreign Intelligence Advisory Board, a group of private citizens conduct independent reviews of intelligence issues.

Ross Perot Reportedly Resigned

A person familiar with the board's work said today that H. Ross Perot, the Texas billionaire, resigned from the panel in disgust in the spring of 1985 because the Government had failed to heed the recommendations about the embassy in Moscow.

The source said that at one of the board's hearings, a State Department official said it would be too expensive to replace the Soviet employees of the embassy with Americans. Mr. Perot replied that he would be willing to pay for it out of his own pocket, the source said. Mr. Perot declined to comment today.

The report by the advisory board said the 200 Soviet nationals then employed at the embassy were a security threat. It said they could pick up information by contacts with Americans or by entering sensitive areas, according to people familiar with its content. The document did not single out the Marine

guards as a security risk, these people said.

Last year, the entire issue of Soviet employees became moot when the Soviet Government ordered all of them out of the embassy in retaliation for a United States order to reduce Soviet diplomatic personnel in the United States.

In the continuing inquiry into possible security breaches by two Marine embassy guards in Moscow, the State Department announced today that all embassy employees would be questioned. Charles E. Redman, the State Department spokesman, said the security officer at the embassy, Frederick Merke, was being recalled to assist in the inquiry.

After the intelligence advisory board completed its report, another advisory commission, on embassy security, headed by Adm. Bobby R. Inman, former Deputy Director of Central Intelligence, reached the same conclusions. Its report prompted Secretary of State George P. Shultz to order changes in the Moscow embassy.

Department Called Resistant

But officials outside the State Department contend that it was still resistant, particularly when it came to reducing the number of Soviet employees. The two Marine guards have acknowledged to investigators that their espionage activities began after they were seduced by Soviet women working in the embassy.

A spate of espionage cases in the United States also led to demands by members of Congress to eliminate the practice of having Soviet citizens working in the embassy and to cut back on the size of the Soviet diplomatic presence in the United States.

In Congressional testimony and in private conversations, State Department officials argued that the Soviet employees helped the diplomats cope with the Soviet bureaucracy on such issues as arranging travel and expediting imports through customs.

They said Americans who would have to be recruited to replace them would be susceptible to enticement by Soviet agents. Members of Congress and Administration officials said that Arthur A. Hartman, the departing Ambassador, was one of the strongest opponents of the plans to reduce or eliminate the Soviet employees.

"They were nonchalant about security," said Senator Patrick J. Leahy, the Vermont Democrat and former vice chairman of the Senate Intelligence Committee. "They let the Soviets have free run of the embassy. They don't seem to realize that the Moscow embassy was the candy store for the K.G.B."

Senator Leahy said a secret version of the committee's 1986 report on counterintelligence had called the State Department lax in the embassy.

Robert E. Lamb, the head of the State Department's Bureau of Diplomatic Security, acknowledged in a recent interview that the various reports had essentially called on the Foreign Service to change long-held views about security.

"It is a question of time," he said.

a major cultural change in the last two years, and it has been a painful change as a result of the Inman report."

Government officials critical of the State Department today provided new details about the planting of Soviet monitoring devices in embassy typewriters.

According to these officials, questions were first raised in the 1970's. "The Foreign Service has gone through when other embassies in Moscow reported having discovered such devices. In 1978, an antenna was found in the chimney of the embassy, and officials now believe that it was probably moved up and down to pick up signals from the devices in typewriters on various floors.

A team of investigators sent to Moscow in 1979 found nothing, according to the officials, who theorize that the Russians had been alerted.

The devices were finally uncovered in 1984, but later, Soviet agents were able to introduce a new technology, in which the signals from the electric typewriters were carried out of the embassy building through the typewriter power cords.